

# HAT ISLAND TELEPHONE COMPANY

July 1, 2014

## **BY ELECTRONIC COMMENT FILING SYSTEM**

Ms. Marlene H. Dortch, Secretary  
Office of the Secretary  
Federal Communications Commission  
445 12<sup>th</sup> St., SW, Room TW-A325  
Washington, DC 20554

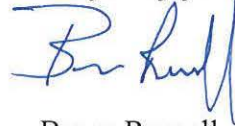
Dear Ms. Dortch:

Re: WC Docket No. 10-90, 11-42 and 14-58 –  
FCC Form 481 due July 1, 2014 –  
Hat Island Telephone Company (Study Area 522417)

Accompanying this letter for filing with the Federal Communications Commission ("Commission") is an electronic copy of the FCC Form 481, due July 1, 2014, of Hat Island Telephone Company, as filed electronically with the United States Administrative Company pursuant to Sections 54.313 and 54.422 of the Commission's rules, 47 C.F.R. §§ 54.313 and 54.422.

Please let us know if the Commission has any questions regarding the accompanying FCC Form 481.

Very truly yours,



Bruce Russell  
Chief Operating Officer

Accompanying document:  
FCC Form 481 (copy)

**FCC Form 481 - Carrier Annual Reporting  
Data Collection Form**

 FCC Form 481  
 OMB Control No. 3060-0986/OMB Control No. 3060-0819  
 July 2013

<010>	Study Area Code	522417
<015>	Study Area Name	HAT ISLAND TEL CO
<020>	Program Year	2015
<030>	Contact Name: Person USAC should contact with questions about this data	Trish Mason
<035>	Contact Telephone Number: Number of the person identified in data line <030>	3603210013 ext.
<039>	Contact Email Address: Email of the person identified in data line <030>	trish.mason@whidbeytel.com

ANNUAL REPORTING FOR ALL CARRIERS			54.313 Completion Required	54.422 Completion Required
(check box when complete)				
<100>	Service Quality Improvement Reporting	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<200>	Outage Reporting (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210>	<input type="checkbox"/> <-- check box if no outages to report		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<300>	Unfulfilled Service Requests (voice)	<input type="text" value="0"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<310>	Detail on Attempts (voice)	<div style="border: 1px solid black; height: 40px; width: 100%;"></div> (attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>
<320>	Unfulfilled Service Requests (broadband)	<input type="text" value="0"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<330>	Detail on Attempts (broadband)	<div style="border: 1px solid black; height: 40px; width: 100%;"></div> (attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>
<400>	Number of Complaints per 1,000 customers (voice)			
<410>	Fixed	<input type="text" value="0.0"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<420>	Mobile	<input type="text" value="0.0"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<430>	Number of Complaints per 1,000 customers (broadband)		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<440>	Fixed	<input type="text" value="0.0"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<450>	Mobile	<input type="text" value="0.0"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<500>	Service Quality Standards & Consumer Protection Rules Compliance	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510>	<div style="border: 1px solid black; height: 40px; width: 100%;"><p>522417wa510.pdf</p></div> (attached descriptive document)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600>	Functionality in Emergency Situations	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610>	<div style="border: 1px solid black; height: 40px; width: 100%;"><p>522417wa610.pdf</p></div> (attached descriptive document)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700>	Company Price Offerings (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<710>	Company Price Offerings (broadband)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<800>	Operating Companies and Affiliates	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900>	Tribal Land Offerings (Y/N)? <input type="radio"/> <input checked="" type="radio"/>	(if yes, complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1000>	Voice Services Rate Comparability	(check to indicate certification)	<input type="checkbox"/>	<input type="checkbox"/>
<1010>	<div style="border: 1px solid black; height: 40px; width: 100%;"></div> (attach descriptive document)		<input type="checkbox"/>	<input type="checkbox"/>
<1100>	Terrestrial Backhaul (Y/N)? <input checked="" type="radio"/> <input type="radio"/>	(if not, check to indicate certification)	<input type="checkbox"/>	<input type="checkbox"/>
<1110>		(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>
<1200>	Terms and Condition for Lifeline Customers	(complete attached worksheet)	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet**

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<2000>	(check to indicate certification)	<input type="checkbox"/>	<input type="checkbox"/>
<2005>	(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>

**Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet**

<3000>	(check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<3005>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**(100) Service Quality Improvement Reporting  
Data Collection Form**

 FCC Form 481  
 OMB Control No. 3060-0986/OMB Control No. 3060-0819  
 July 2013

<010>	Study Area Code	522417
<015>	Study Area Name	HAT ISLAND TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Trish Mason
<035>	Contact Telephone Number - Number of person identified in data line <030>	3603210013 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	trish.mason@whidbeytel.com
<110>	Has your company received its ETC certification from the FCC?	(yes / no) <input type="radio"/> <input checked="" type="radio"/>
	If your answer to Line <110> is yes, do you have an existing §54.202(a) "5	
<111>	year plan" filed with the FCC?	(yes / no) <input type="radio"/> <input type="radio"/>

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

522417wal12.pdf

Name of Attached Document

Please check these boxes below to confirm that the attached documents(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

- <113> Maps detailing progress towards meeting plan targets
- <114> Report how much universal service (USF) support was received
- <115> How (USF) was used to improve service quality
- <116> How (USF) was used to improve service coverage
- <117> How (USF) was used to improve service capacity
- <118> Provide an explanation of network improvement targets not met in the prior calendar year.


### Data Collection Form

OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

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[illegible]

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<701>	Residential Local Service Charge Effective Date	1/1/2014
<702>	Single State-wide Residential Local Service Charge	

[illegible]



<010>	Study Area Code	522417
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<039>	Contact Email Address - Email Address of person identified in data line <030>	trish.mason@whidbeytel.com

[illegible]

(800) Operating Companies  
Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	522417
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<015>	Study Area Name	HAT ISLAND TEL CO
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<020>	Program Year	2015
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<030>	Contact Name - Person USAC should contact regarding this data	Trish Mason
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<035>	Contact Telephone Number - Number of person identified in data line <030>	3603210013 ext.
-------	---	-----------------

<039> Contact Email Address - Email Address of person identified in data line <030> trish.mason@whidbeytel.com

<810>	Reporting Carrier	Hat Island Telephone Company
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<811> Holding Company

<812>	Operating Company	Hat Island Telephone Company
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<813>	<a1>	<a2>	<a3>
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## Affiliates

SAC

### Doing Business As Company or Brand Designation

-- See attached worksheet --

**(900) Tribal Lands Reporting  
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

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<039>	Contact Email Address - Email Address of person identified in data line <030>	trish.mason@whidbeytel.com

&lt;910&gt; Tribal Land(s) on which ETC Serves

&lt;920&gt; Tribal Government Engagement Obligation

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- |   |   |
|---|---|
| <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.<br><922> Feasibility and sustainability planning;<br><923> Marketing services in a culturally sensitive manner;<br><924> Compliance with Rights of way processes<br><925> Compliance with Land Use permitting requirements<br><926> Compliance with Facilities Siting rules<br><927> Compliance with Environmental Review processes<br><928> Compliance with Cultural Preservation review processes<br><929> Compliance with Tribal Business and Licensing requirements. | <div style="border: 1px solid black; padding: 2px; text-align: center;">Select<br/>(Yes, No,<br/>NA)</div> <div style="border: 1px solid black; height: 100px; margin-top: 5px;"></div> |
|---|---|

Select  
(Yes, No,  
NA)



**(1100) No Terrestrial Backhaul Reporting  
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

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<039>	Contact Email Address - Email Address of person identified in data line <030>	trish.mason@whidbeytel.com

Please check this box to confirm no terrestrial backhaul  
<1120> options exist within the supported area pursuant to § 54.313(G) ☐

Please check this box to confirm the reporting carrier offers  
<1130> broadband service of at least 1 Mbps downstream and 256 kbps  
upstream within the supported area pursuant to § 54.313(G) ☐

**(1200) Terms and Condition for Lifeline Customers**  
**Lifeline**  
**Data Collection Form**

FCC Form 481  
 OMB Control No. 3060-0986/OMB Control No. 3060-0819  
 July 2013

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<039>	Contact Email Address - Email Address of person identified in data line <030>	trish.mason@whidbeytel.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

522417wal210.pdf

Name of Attached Document

<1220> Link to Public Website

HTTP

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- |        |   |                                     |
|--------|---|-------------------------------------|
| <1221> | Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, | <input checked="" type="checkbox"/> |
| <1222> | Details on the number of minutes provided as part of the plan,  | <input checked="" type="checkbox"/> |
| <1223> | Additional charges for toll calls, and rates for each such plan.  | <input checked="" type="checkbox"/> |

**(2000) Price Cap Carrier Additional Documentation****Data Collection Form***Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers*

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

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<039>	Contact Email Address - Email Address of person identified in data line <030>	trish.mason@whidbeytel.com

CHECK the boxes below to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e) the information reported on this form and in the documents attached below is accurate.

**Incremental Connect America Phase I reporting**

- <2010> 2nd Year Certification {47 CFR § 54.313(b)(1)} ☐
- <2011> 3rd Year Certification {47 CFR § 54.313(b)(2)} ☐

**Price Cap Carrier Receiving Frozen Support Certification {47 CFR § 54.312(a)}**

- <2012> 2013 Frozen Support Certification ☐
- <2013> 2014 Frozen Support Certification ☐
- <2014> 2015 Frozen Support Certification ☐
- <2015> 2016 and future Frozen Support Certification ☐

**Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}**

- <2016> Certification Support Used to Build Broadband ☐

**Connect America Phase II Reporting {47 CFR § 54.313(e)}**

- <2017> 3rd year Broadband Service Certification ☐
- <2018> 5th year Broadband Service Certification ☐
- <2019> Interim Progress Certification ☐
- <2020> Please check the box to confirm that the attached document(s), on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year. ☐

- <2021> Interim Progress Community Anchor Institutions

Name of Attached Document Listing Required Information

**(3000) Rate Of Return Carrier Additional Documentation****Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010> Study Area Code	522417
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<039> Contact Email Address - Email Address of person identified in data line <030>	trish.mason@whidbeytel.com

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

- (3010) **Progress Report on 5 Year Plan**  
Milestone Certification (47 CFR § 54.313(f)(1)(i))

Name of Attached Document Listing Required Information

- (3011) Please check this box to confirm that the attached document(s), on line 3012 contains the required information pursuant to § 54.313 (f)(1)(ii), the carrier shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year. ☐

- (3012) Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii))

Name of Attached Document Listing Required Information

- (3013) Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2))  
(3014) If yes, does your company file the RUS annual report

(Yes/No) ☐ ☐  
(Yes/No) ☐ ☐

Please check these boxes to confirm that the attached document(s), on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

- (3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers) ☐  
(3016) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows ☐

- (3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation

Name of Attached Document Listing Required Information

- (3018) If the response is no on line 3014, Is your company audited?

(Yes/No) ☐ ☐

If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

- (3019) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications ☐

- (3020) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows ☐

- (3021) Management letter issued by the independent certified public accountant that performed the company's financial audit. ☐

If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

- (3022) Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers, ☒

- (3023) Underlying information subjected to a review by an independent certified public accountant ☒

- (3024) Underlying information subjected to an officer certification. ☒

- (3025) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows ☒

522417wa3026.pdf

- (3026) Attach the worksheet listing required information

Name of Attached Document Listing Required Information

**Certification - Reporting Carrier  
Data Collection Form**

 FCC Form 481  
 OMB Control No. 3060-0986/OMB Control No. 3060-0819  
 July 2013

<010> Study Area Code	522417
<015> Study Area Name	HAT ISLAND TEL CO
<020> Program Year	2015
<030> Contact Name - Person USAC should contact regarding this data	Trish Mason
<035> Contact Telephone Number - Number of person identified in data line <030>	3603210013 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	trish.mason@whidbeytel.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier: HAT ISLAND TEL CO	
Signature of Authorized Officer: CERTIFIED ONLINE	Date: 7/1/14
Printed name of Authorized Officer: Bruce Russell	
Title or position of Authorized Officer: COO	
Telephone number of Authorized Officer: 3603210086	
Study Area Code of Reporting Carrier: 522417	Filing Due Date for this form: 07/01/2014
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	



<b>Certification - Agent / Carrier Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	522417
<015> Study Area Name	HAT ISLAND TEL CO
<020> Program Year	2015
<030> Contact Name - Person USAC should contact regarding this data	Trish Mason
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<039> Contact Email Address - Email Address of person identified in data line <030>	trish.mason@whidbeytel.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) _____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent: _____	
Name of Reporting Carrier: _____	
Signature of Authorized Officer: _____	Date: _____
Printed name of Authorized Officer: _____	
Title or position of Authorized Officer: _____	
Telephone number of Authorized Officer: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier: _____	
Name of Authorized Agent or Employee of Agent: _____	
Signature of Authorized Agent or Employee of Agent: _____	Date: _____
Printed name of Authorized Agent or Employee of Agent: _____	
Title or position of Authorized Agent or Employee of Agent: _____	
Telephone number of Authorized Agent or Employee of Agent: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

## Attachments

**HAT ISLAND TELEPHONE COMPANY – 5-YEAR SERVICE QUALITY IMPROVEMENT PLAN  
PURSUANT TO 47 C.F.R. 54.202(a)**

Hat Island Telephone Company (“HITC”) (“Company”) hereby submits initial five-year build-out Service Quality Improvement Plan pursuant to 47 C.F.R 54.202(a)(1)(ii) that specifies proposed improvements or upgrades to the HITC network throughout its service area. In addition, HITC is providing information that includes an estimate of the population that will be serviced as a result of these improvements.

The receipt of universal service support, combined with other funding sources will allow HITC to continue to provide reliable, state-of-the-art, high-quality voice and broadband service to a population base of 41 in the rural community of Hat Island, WA. The projects listed within this plan will be used to improve or upgrade the network over the next five years, and will enable HITC to continue its long history of providing high quality and state-of-the-art telecommunications services.

The expected benefit to customers from the anticipated investment and expenditures is that customers will continue to receive a high level of telecommunication services and the new facilities will result in and/or enhance a platform that will provide additional capacity for the provision of existing supported services to customers in the Company’s designated ETC service area and on which additional telecommunications services, including, but not limited to, advanced telecommunications services can be provided to customers in the Company’s designated ETC service area. These projects will improve the quality of service and network capacity available to the Company’s customers in the portions of the Company’s designated ETC service area in which new facilities are to be deployed, as well as increase the number of services available in most, if not all, of the Company’s designated ETC service area. The Company further expects that any federal support received by the Company will aid the Company’s efforts to continue to provide the supported services at rates that are reasonably comparable to the rates for such services in urban areas. All customers in the Company’s designated ETC service area will benefit from the expected level of universal service support by continuing to have available to them services that are reasonably comparable to the telecommunications services offered in urban areas at rates that, if adequately supported by other factors, such as state universal service fund, are reasonably comparable to the rates for such services in urban areas.

Over the next 5 years, HITC will enhance its network to include expanding its core network to handle increased bandwidth services. Finally, HITC will continue to support and maintain all existing network infrastructure to insure the highest level of uninterrupted services and to complete all service requests within a reasonable amount of time.

Hat Island Telephone Company has scheduled the following improvement and/or upgrades to its network(s). These improvements and/or upgrades are either currently in progress and/or are scheduled to take place over the five year time period covering the calendar years of 2014 through 2019:

Network Improvements/Upgrades – Voice Services – For Calendar Year 2014				
Project Description (Specific proposed improvements and/or upgrades)	Estimated Start Date	Estimated Completion Date	Service Area Name	Estimated Population
Maintain/retire/replace existing end-of-life infrastructure hardware and software	01/01/2014	12/31/2014	Hat Island	41

Network Improvements/Upgrades – Voice Services – For Calendar Year 2015				
Project Description (Specific proposed improvements and/or upgrades)	Estimated Start Date	Estimated Completion Date	Service Area Name	Estimated Population
Maintain/retire/replace existing end-of-life infrastructure hardware and software	01/01/2015	12/31/2015	Hat Island	41

Network Improvements/Upgrades – Voice Services – For Calendar Year 2016				
Project Description (Specific proposed improvements and/or upgrades)	Estimated Start Date	Estimated Completion Date	Service Area Name	Estimated Population
Maintain/retire/replace existing end-of-life infrastructure hardware and software	01/01/2016	12/31/2016	Hat Island	41

<p align="center"><b>HAT ISLAND TELEPHONE COMPANY – 5-YEAR SERVICE QUALITY IMPROVEMENT PLAN</b>  <b>PURSUANT TO 47 C.F.R. 54.202(a)</b></p>
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<b>Network Improvements/Upgrades – Voice Services – For Calendar Year 2017</b>
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Project Description (Specific proposed improvements and/or upgrades)	Estimated Start Date	Estimated Completion Date	Service Area Name	Estimated Population
Maintain/retire/replace existing end-of-life infrastructure hardware and software	01/01/2017	12/31/2017	Hat Island	41

<b>Network Improvements/Upgrades – Voice Services – For Calendar Year 2018</b>
--

Project Description (Specific proposed improvements and/or upgrades)	Estimated Start Date	Estimated Completion Date	Service Area Name	Estimated Population
Maintain/retire/replace existing end-of-life infrastructure hardware and software	01/01/2018	12/31/2018	Hat Island	41

<b>Network Improvements/Upgrades – Voice Services – For Calendar Year 2019</b>
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Project Description (Specific proposed improvements and/or upgrades)	Estimated Start Date	Estimated Completion Date	Service Area Name	Estimated Population
Maintain/retire/replace existing end-of-life infrastructure hardware and software	01/01/2019	12/31/2019	Hat Island	41



## Data Collection Form

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	522417
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<015>	Study Area Name	HAT ISLAND TEL CO
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<020>	Program Year	2015
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<030>	Contact Name - Person USAC should contact regarding this data	Trish Mason
-------	---	-------------

<035>	Contact Telephone Number - Number of person identified in data line <030>	3603210013 ext.
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<039>	Contact Email Address - Email Address of person identified in data line <030>	trish.mason@whidbeytel.com
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<220>

[illegible]

**Hat Island Telephone Company  
FCC Form 481 (July, 2014), Line 510  
Description of Processes and Procedures to Ensure  
Compliance with Service Quality Standards and  
Consumer Protection Rules Per Instructions  
For Completing FCC Form 481 – Voice Services**

This document details the processes and procedures that Hat Island Telephone Company (the “Company”) follows to ensure compliance with service quality standards and consumer protections rules as set forth in the Instructions for Completing FCC Form 481.

For service quality standards that are affected by plant issues, the Company engineers and installs its plant and other facilities in such a way as to ensure, to the greatest extent possible, compliance with service quality standards that exist at the time that the plant and facilities are constructed. Plant is augmented, upgraded and/or reconfigured as needed.

The Company obtains certain functionality and support from its affiliate, Whidbey Telephone, including support related to service quality standards and consumer protection rules. A description of Whidbey Telephone Company’s policies and procedures relating to service quality standards and consumer protection rules is set forth in its response to Line 510 of its FCC Form 481 that is being filed contemporaneously herewith. To the extent relevant, that description is incorporated herein by this reference.

The Company also periodically reviews its operating procedures to be sure that those operating procedures are in compliance with service quality standards and are not in violation of consumer protection rules. If questions arise, legal counsel is sought as needed.

If a complaint pertaining to the Company’s compliance with service quality standards or consumer protection rules is received by the Company, the complaint is promptly investigated, the matter tracked and any corrective action noted. This process ensures that issues involved in the matter are addressed and corrections made, if needed.

**Hat Island Telephone Company  
FCC Form 481 (July, 2014), Line 510  
Description of Processes and Procedures to Ensure  
Compliance with Service Quality Standards and  
Consumer Protection Rules Per Instructions  
For Completing FCC Form 481 – Broadband Services**

This document details the processes and procedures that Hat Island Telephone Company (the “Company”) follows to ensure compliance with service quality standards and consumer protections rules as set forth in the Instructions for Completing FCC Form 481.

For service quality standards that are affected by plant issues, the Company engineers and installs its plant and other facilities in such a way as to ensure, to the greatest extent possible, compliance with service quality standards that exist at the time that the plant and facilities are constructed. Plant is augmented, upgraded and/or reconfigured as needed.

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**Hat Island Telephone Company**  
**FCC Form 481 (July, 2014), Line 610**  
**Statement Describing Ability to Function in Emergency Situations**  
**Per Instructions for Completing FCC Form 481 – Voice Services**

**SUMMARY**

Hat Island Telephone Company (the “Company”) has a long-standing tradition of providing reliable voice telephony services. It is the Company’s policy and standard operating procedure to bury all of its local distribution cable and wire. The Company operates a primary local distribution and transmission node that is equipped with back-up power generation. In regard to the Company’s overall network design, the Company’s practices are consistent with Rural Utility Service (“RUS”) telecommunications industry best practices.

The Company obtains certain functionality and support from its affiliate, Whidbey Telephone Company. Together, they operate and maintain transport transmission equipment that serves the Company’s service area and that is of the highest grade. Equipment specifications, which are consistent with the RUS specifications, require both redundant power and redundant circuit interfaces. All of the Company’s transport equipment, as well as the transport and switching equipment that serves the Company’s service area and is operated by Whidbey Telephone Company, is monitored 7x24x365(366) by trained staff located at Whidbey Telephone Company’s network operations center.

**NETWORK REDUNDANCY**

The Company is a provider of voice telephony services to the Hat Island Exchange. The service area of the Company’s Hat Island Exchange comprises less than one (1) square mile. It is connected by submarine cable to a neighboring exchange operated by Whidbey Telephone Company, which provides local distribution connectivity, switching and transmission utilizing its facilities. A description of those facilities and of Whidbey Telephone Company’s policies and procedures relating to its ability to function in emergency situations is set forth in its response to Line 610 of its FCC Form 481 that is being filed contemporaneously herewith. To the extent relevant, that description is incorporated herein by this reference.

**BACK-UP POWER**

The Company maintains at its principal local distribution and transmission node a power plant with batteries capable of carrying the power load for a number of hours with the load typically transitioning more immediately to a generator back-up power generation. In addition, the Company has installed back-up power generation at that node, utilizing an 8kw generator, together with a dedicated fuel tank onsite designed to carry the power load multiple days. The site is equipped with an automatic transfer switch and has monitoring equipment that provides monitoring visibility with respect to loss of external commercial power and transfer switch status. Upon recognition of loss of the commercial power source, the automatic transfer switch is designed to automatically start the back-up generator and transfer the selected power source.

Alarm messages are automatically reported to key personnel, as well as to Whidbey Telephone Company's 7x24x365(366) network operations center.

Whidbey Telephone Company has in-house staff available to support the Company's operations and trained to perform all maintenance of the power plant, as well as third-party services available for support.



**Hat Island Telephone Company**  
**FCC Form 481 (July, 2014), Line 610**  
**Statement Describing Ability to Function in Emergency Situations**  
**Per Instructions for Completing FCC Form 481 – Broadband Services**

**SUMMARY**

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(700) Price Offerings including Voice Rate Data  
Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	522417
<015>	Study Area Name	HAT ISLAND TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Trish Mason
<035>	Contact Telephone Number - Number of person identified in data line <030>	3603210013 ext..
<039>	Contact Email Address - Email Address of person identified in data line <030>	trish.mason@whidbeytel.com

<701>	Residential Local Service Charge Effective Date	1/1/2014
<702>	Single State-wide Residential Local Service Charge	

<703>

[illegible]

(710) Broadband Price Offerings  
Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	522417
<015>	Study Area Name	HAT ISLAND TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Trish Mason
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<039>	Contact Email Address - Email Address of person identified in data line <030>	trish.mason@whidbeytel.com

[illegible]

### Data Collection Form

OMB Control No. 3060-0986/OMB Control No. 3060-0819

OMB Control No. 3060-0986/OMB Control No. 3060-0819

<010>	Study Area Code	522417
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<030>	Contact Name - Person USAC should contact regarding this data	Trish Mason
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<039>	Contact Email Address - Email Address of person identified in data line <030>	trish.mason@whidbeytel.com
<810>	Reporting Carrier	Hat Island Telephone Company
<811>	Holding Company	
<812>	Operating Company	Hat Island Telephone Company

[illegible]



## (3005a) Operating Report for Privately-Held Rate of Return Carriers

## Balance Sheet - Data Collection Form

Page 1 of 3

FCC Form 481

OMB Control No. 3060-0986

July 2013

<010> Study Area Code  
 <015> Study Area Name  
 <020> Program Year  
 <030> Contact Name - Person USAC should contact regarding this data  
 <035> Contact Telephone Number - Number of person identified in data line <030>  
 <039> Contact Telephone Email Address - Email Address of person identified in data line <030>

<010> 522417  
 <015> Hat Island  
 <020> 2015  
 <030> Trish Mason  
 <035> 360-321-0013  
 <039> trish.mason@whidbeytel.com

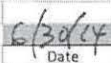
☒ Files as reviewed single company☐ Filed as reviewed consolidated company☐ Filed as subsidiary of reviewed consolidated company☐ Filed as audited single company☐ Filed as audited consolidated company☐ Filed as subsidiary of audited consolidated company

## CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.



Signature



Date

## PART A. BALANCE SHEET

ASSETS		BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY		BALANCE PRIOR YEAR	BALANCE END OF PERIOD
<b>CURRENT ASSETS</b>				<b>CURRENT LIABILITIES</b>			
1. Cash and Equivalents		108002	115855	25. Accounts Payable		5048	970
2. Cash-RUS Construction Fund				26. Notes Payable			
3. Affiliates:				27. Advance Billings and Payments			
a. Telecom, Accounts Receivable		1428	3271	28. Customer Deposits			
b. Other Accounts Receivable		33071	28402	29. Current Mat. L/T Debt			
c. Notes Receivable				30. Current Mat. L/T Debt-Rur. Dev.			
4. Non-Affiliates:				31. Current Mat.-Capital Leases			
a. Telecom, Accounts Receivable				32. Income Taxes Accrued			
b. Other Accounts Receivable				33. Other Taxes Accrued		-1058	2721
c. Notes Receivable				34. Other Current Liabilities			
5. Interest and Dividends Receivable				35. Total Current Liabilities (25 thru 34)		3990	3691
6. Material-Regulated				<b>LONG-TERM DEBT</b>			
7. Material-Nonregulated				36. Funded Debt-RUS Notes			
8. Prepayments		882	935	37. Funded Debt-RTB Notes			
9. Other Current Assets				38. Funded Debt-FFB Notes			
10. Total Current Assets (1 Thru 9)		143383	148463	39. Funded Debt-Other			
<b>NONCURRENT ASSETS</b>				40. Funded Debt-Rural Develop. Loan			
11. Investment in Affiliated Companies				41. Premium (Discount) on L/T Debt			
a. Rural Development				42. Reacquired Debt			
b. Nonrural Development				43. Obligations Under Capital Lease			
12. Other Investments				44. Adv. From Affiliated Companies			
a. Rural Development				45. Other Long-Term Debt			
b. Nonrural Development				46. Total Long-Term Debt (36 thru 45)		0	0
13. Nonregulated Investments				<b>OTHER LIAB. &amp; DEF. CREDITS</b>			
14. Other Noncurrent Assets				47. Other Long-Term Liabilities			
15. Deferred Charges				48. Other Deferred Credits			
16. Jurisdictional Differences				49. Other Jurisdictional Differences			
17. Total Noncurrent Assets (11 thru 16)		0	0	50. Total Other Liabilities and Deferred Credits (47 thru 49)		0	0
<b>PLANT, PROPERTY, AND EQUIPMENT</b>				<b>EQUITY</b>			
18. Telecom, Plant-in-Service		429021	424221	51. Cap. Stock Outstanding & Subscribed		4000	4000
19. Property Held for Future Use				52. Additional Paid-in-Capital			
20. Plant Under Construction				53. Treasury Stock			
21. Plant Adj., Nonop. Plant & Goodwill				54. Membership and Cap. Certificates			
22. Less Accumulated Depreciation		-266084	-282248	55. Other Capital			
23. Net Plant (18 thru 21 less 22)		162937	141973	56. Patronage Capital Credits			
				57. Retained Earnings or Margins		298330	282745
				58. Total Equity (51 thru 57)		302330	286745
24. TOTAL ASSETS (10+17+23)		306320	290436	59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)		306320	290436

<010> Study Area Code  
<015> Study Area Name  
<020> Program Year  
<030> Contact Name - Person USAC should contact regarding this data  
<035> Contact Telephone Number - Number of person identified in data line <030>  
<039> Contact Telephone Email Address - Email Address of person identified in data line <030>

<010> 522417  
<015> Hat Island  
<020> 2015  
<030> Trish Mason  
<035> 360-321-0013  
<039> trish.mason@whidbeytel.com

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS		
ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues	19177	19004
2. Network Access Services Revenues	23972	25012
3. Long Distance Network Services Revenues		
4. Carrier Billing and Collection Revenues	2125	2225
5. Miscellaneous Revenues	23028	23290
6. Uncollectible Revenues		-71
7. Net Operating Revenues (1 thru 5 less 6)	68302	69602
8. Plant Specific Operations Expense	13846	19245
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	9185	11348
10. Depreciation Expense	19640	19764
11. Amortization Expense		
12. Customer Operations Expense	10295	7839
13. Corporate Operations Expense	7951	17504
14. Total Operating Expenses (8 thru 13)	60917	75700
15. Operating Income or Margins (7 less 14)	7385	-6098
16. Other Operating Income and Expenses		
17. State and Local Taxes		
18. Federal Income Taxes		
19. Other Taxes	2643	6432
20. Total Operating Taxes (17+18+19)	2643	6432
21. Net Operating Income or Margins (15+16-20)	4742	-12530
22. Interest on Funded Debt		
23. Interest Expense - Capital Leases		
24. Other Interest Expense		
25. Allowance for Funds Used During Construction		
26. Total Fixed Charges (22+23+24-25)	0	0
27. Nonoperating Net Income		
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income		
31. Total Net Income or margins (21+27+28+29+30-26)	4742	-12530
32. Total Taxes Based on Income		
33. Retained Earnings or Margins Beginning-of-Year	318588	298330
34. Miscellaneous Credits Year-to-Date		
35. Dividends Declared (Common)	25000	
36. Dividends Declared (Preferred)		
37. Other Debits Year-to-Date		3055
38. Transfers to Patronage Capital		
39. Retained Earnings or Margins end-of-Period [(31+33+34)-(35+36+37+38)]	298330	282745
40. Patronage Capital Beginning-of-Year		
41. Transfers to Patronage Capital		
42. Patronage Capital Credits Retired		
43. Patronage Capital End-of-Year (40+41-42)	0	0
44. Annual Debt Service Payments		
45. Cash Ratio [(14+20-10-11)/7]	0.64	0.90
46. Operating Accrual Ratio [(14+20+26)/7]	0.93	1.18
47. TIER [(31+26)/26]	0.00	0.00
48. DSCR [(31+26+10+11)/44]	0.00	0.00



## (3005c) Operating Report for Privately-Held Rate of Return Carriers

## Balance Sheet - Data Collection Form

Page 3 of 3

FCC Form 481

OMB Control No. 3060-0986

July 2013

<010> Study Area Code  
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<010> 522417  
 <015> Hat Island  
 <020> 2015  
 <030> Trish Mason  
 <035> 360-321-0013  
 <039> trish.mason@whidbeytel.com

PART C. STATEMENTS OF CASH FLOWS		
1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)		108002
CASH FLOWS FROM OPERATING ACTIVITIES		
2. Net Income		-12530
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
3. Add: Depreciation		19764
4. Add: Amortization		
5. Other (Explain)		
Changes in Operating Assets and Liabilities		
6. Decrease/(Increase) in Accounts Receivable		-3733
7. Decrease/(Increase) in Materials and Inventory		
8. Decrease/(Increase) in Prepayments and Deferred Charges		375
9. Decrease/(Increase) in Other Current Assets		
10. Increase/(Decrease) in Accounts Payable		56
11. Increase/(Decrease) in Advance Billings & Payments		2721
12. Increase/(Decrease) in Other Current Liabilities		
13. Net Cash Provided/(Used) by Operations		6653
CASH FLOWS FROM FINANCING ACTIVITIES		
14. Decrease/(Increase) in Notes Receivable		
15. Increase/(Decrease) in Notes Payable		
16. Increase/(Decrease) in Customer Deposits		
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)		
18. Increase/(Decrease) in Other Liabilities & Deferred Credits		
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital		
20. Less: Payment of Dividends		
21. Less: Patronage Capital Credits Retired		
22. Other (Explain)		
23. Net Cash Provided/(Used) by Financing Activities		0
CASH FLOWS FROM INVESTING ACTIVITIES		
24. Net Capital Expenditures (Property, Plant & Equipment)		1200
25. Other Long-Term Investments		
26. Other Noncurrent Assets & Jurisdictional Differences		
27. Other (Explain)		
28. Net Cash Provided/(Used) by Investing Activities		1200
29. Net Increase/(Decrease) in Cash		7853
30. Ending Cash		115855



14888 SR 525 Langley WA 98260

### Lifeline, Tribal Link-Up and Washington Telephone Assistance Programs<sup>1</sup>

Hat Island Telephone Company participates in the federal Lifeline program and Tribal Link-Up program, to the extent applicable, as well as the Washington Telephone Assistance Program ("WTAP"). Under these programs, we offer to qualifying low-income consumers a discount off of the monthly rate for basic residential exchange service and a discount off of the non-recurring charge to install a basic residential exchange service line. Please refer to the below table for current basic residential service charges and program discounts. The installation charge for such service may vary and may be discounted by 50% (up to \$22.00) for qualifying WTAP customers<sup>2</sup>.

Residential Service Customer Program Eligibility	Basic Residential Service Line Charge	FCC Subscriber Line Charge	Discount Amount(s)	Discounted Basic Residential Service Line Charge <sup>3</sup>
Lifeline Certified & WTAP Verified	\$15.00	\$6.50	\$9.25 – Lifeline \$4.25 – WTAP	\$8.00
Lifeline Only Certified	\$15.00	\$6.50	\$9.25 – Lifeline \$0.00 – WTAP	\$12.25
WTAP Only Verified	\$15.00	\$6.50	\$13.50 – WTAP	\$8.00

For more information on these programs that may help you afford phone service and/or to obtain a copy of the Lifeline Service Application Certification & Authorization Form, you may contact our Customer Experience Center representatives. They may be reached at 360.444.1122 or, when calling from outside the local area, toll free at 800.351.2337. You may also contact the Washington Telephone Assistance Program unit of DSHS at 1.888.700.8880 or visit their website <http://www.dshs.wa.gov/wtap.shtml> or contact the Federal Communications Commission at 1.888.CALL.FCC/1.888.225.5322 (voice) or 1.888.TELL.FCC/1.888.835.5322 (TTY) or visit their website [www.lifeline.gov](http://www.lifeline.gov). For information regarding the current Federal Poverty Guidelines please feel free to contact our Customer Experience Center or visit the U.S. Department of Health & Human Services' website <http://aspe.hhs.gov/poverty/14poverty.cfm>.

<sup>1</sup> WTAP and the Lifeline program are governmental assistance programs that are limited to one discount per eligible household. Only eligible consumers may enroll in the Lifeline program and/or WTAP and the service is non-transferable. To receive Lifeline program benefits you must provide documentation for Hat Island Telephone Company to confirm either your participation in one of the seven (7) qualifying federal programs or your household income to be at or below 135% of the current Federal Poverty Guidelines. A Hat Island Telephone Company Lifeline Service Application Certification & Authorization form must be completed and signed certifying the accuracy of the information you have provided to Hat Island Telephone Company and authorizing the use of some of your information in a national database in order to maintain your eligibility in the Lifeline program. Before applying WTAP benefits, Hat Island Telephone Company must contact the Washington State Department of Social and Health Services ("DSHS") and provide them with your DSHS client identification number to verify your benefit eligibility. WTAP requires that the billing name on the Hat Island Telephone Company customer account match the name of the person who qualifies the household for that program. Benefits for WTAP begin on the date Hat Island Telephone Company verifies your eligibility. Benefits for the Lifeline program begin on the date Hat Island Telephone Company receives your completed Lifeline Service Application Certification & Authorization form and completes its review of the applicable federal program participation or household income documentation.

<sup>2</sup> The Lifeline and WTAP discounts apply only to basic residential local exchange service. You will have to pay the full monthly charge for special features such as Call Forwarding and Call Waiting that are added to your residential local exchange service. Basic residential local exchange service includes an unlimited number of local and Extended Area Service ("EAS") minutes. EAS consists of calling from the Hat Island exchange to the South Whidbey exchange. Charges for long distance calls are in addition and will be as determined by the long distance carrier you select and/or utilize. Toll Restriction is offered without a monthly recurring charge. Certain non-recurring charges may also apply to installation or change of service. Charges for basic residential local exchange service, long distance service and installation or change of service are subject to change and in some instances are subject to change without notice.

<sup>3</sup> Additional discounts for the basic residential local exchange service line, as well as for the installation charge for such service, may apply for the benefit of qualifying low-income consumers on tribal reservation lands.